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31 July 2011

Mr. Anthony Wing
General Manager - Transport and General Prices Oversight Branch
Australian Competition and Consumer Commission
GPO Box 520
MELBOURNE VIC 3001
Australia

Dear Mr Wing,

Re: Airservices Australia's Draft Price Notification

Emirates Airline supports the Australian Competition and Consumer Commission's (ACCC) objections outlined in its Preliminary View on Airservices Australia's (ASA) proposed price increases for Terminal Navigation (TN) and Aviation Rescue Fire Fighting (ARFF) charges.

Emirates agrees with the ACCC's view that ASA's weighted average cost of capital (WACC) should be adjusted to a more appropriate level, which would generate an allowable revenue reduction of A\$101 million over five years.

Given significant overcharging remains on enroute services and specifically on oceanic sectors, any reduction in allowable revenues should be applied as a unit rate reduction to enroute charges. This would at a minimum acknowledge the cross-subsidisation between service lines.

Emirates welcomes the ACCC's view "that functionally based pricing for enroute services will better link service cost to service price, encouraging more efficient outcomes". Emirates believes a fixed timeline for moving to a functionally based pricing model for enroute services should be part of this pricing agreement.

Emirates is disappointed that maximum take-off weight (MTOW) would be retained as a basis for charging, particularly when an MTOW has no bearing on the cost of service delivery. However, we do welcome the recommendation that ASA continue to engage with customers on this important issue.

Emirates thanks the ACCC for the opportunity to comment.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Martin Camus".

Martin Camus
Manager Procurement & Logistics